

March 9, 2000

Clinton/Gore to Blame for High Energy Prices

The Clinton/Gore Administration's failure to ever — in seven years — develop a genuine national energy strategy is to blame for the following:

- ▶ **U.S. crude oil production** is down 17 percent since 1992.
- ▶ **U.S. crude oil consumption** is up 14 percent.
- ▶ The United States' **reliance on foreign sources** is up to 56 percent of its crude oil needs, as opposed to 35 percent in 1973 when the Arab oil producers stopped selling us oil. The U.S. Department of Energy (DOE) estimates we will be 65-percent dependent by 2020, and some experts think it will be higher.

The Northeast was the first part of the country to be hit by large heating oil and diesel fuel price hikes. The rest of the nation now faces the likelihood of markedly higher transportation fuel prices and increases in the cost of goods and services. Here's why:

- ▶ The United States is **spending \$300 million each day on imported crude oil** — \$100 billion each year — about 1 percent of our Gross Domestic Product of \$9.25 trillion.
- ▶ The **world oil price on March 7, 2000 was the highest in nearly a decade** when it reached \$34.12. It hasn't been higher since November 1990. According to DOE, **gasoline prices could reach \$2.00 per gallon or higher.**
- ▶ About 18 million barrels per day — **more than half of all the crude oil we use** — goes to make home heating oil, motor gasoline, diesel fuel, and other transportation fuels.

The Clinton/Gore Administration has failed to do a single thing to help develop more of our nation's crude oil reserves, which would help put downward pressure on world oil prices. Instead, the Administration and Congressional Democrats imposed a 4.3-cents-per-gallon tax on transportation fuels in 1993. Not one Senate Republican voted for the hike in fuel taxes. Now Senate Republicans are asking the President to support congressional efforts to repeal the Clinton/Gore fuel tax to give consumers a break and keep our nation's trains and trucks running.

Not only is the Clinton/Gore Administration doing nothing to increase domestic crude oil supplies, it is pursuing policies that are counter to a rational national energy plan.

- ▶ Interior Secretary Bruce Babbitt is talking about **taking down valuable hydroelectric dams** in the Pacific Northwest — the Administration does not consider hydro power a renewable resource. Electricity from hydro meets about 10-12 percent of U.S. needs.
- ▶ Environmental Protection Agency Administrator Carol Browner is trying to **shut down coal-fired electric generating plants** in the Midwest — a region which depends on those plants for 88 percent of its electricity. The nation as a whole depends on coal for 55 percent of its electricity needs.
- ▶ While the Clinton/Gore Administration tries to kill off the coal industry, it is **doing nothing to increase the availability of domestic natural gas** — the alternative to coal for electricity plants. To replace coal, the United States would have to increase its use of natural gas by about 10 trillion cubic feet per year. No incentives for increased production have been offered by the Administration.
 - Federal land in the Rocky Mountain West could contain as much as 137 trillion cubic feet of natural gas but the Administration refuses to allow any oil and gas exploration on those lands.
- ▶ The Clinton/Gore Administration has **refused to even consider allowing exploration in the Alaska National Wildlife Refuge**, which could contain 16 billion barrels of domestic crude oil that easily could move to refineries in the lower 48 states through the Alaska pipeline. President Clinton vetoed 1995 legislation to allow exploration in ANWR.
- ▶ Vice President Gore has vowed to **prohibit any future exploration for oil and natural gas on the federal outer-continental shelf (OCS)** when there are clearly areas not now available for leasing that have great potential for new domestic sources of these valuable commodities. The President recently closed most of the federal OCS to any exploration until 2012.
- ▶ The Clinton/Gore Administration **embraces the Kyoto Protocol**, which would impose staggering economic costs on the United States. The Protocol would require the United States to vastly reduce its use of fossil fuels like oil, natural gas, and coal to achieve reductions in emissions of carbon dioxide — which is not a pollutant under the Clean Air Act, and which has not yet been proven to be the cause of climate change. The Senate in July 1997 by a 95-0 vote urged the Clinton/Gore Administration to reject the Kyoto Protocol.

Clearly, there is a pattern. It started in 1993 when the Clinton/Gore administration proposed a \$73 billion five-year energy BTU tax to force down U.S. use of fossil fuels. It continues with misguided federal land use policies, “environmental” policies designed not necessarily to protect the environment but to kill fossil fuel use, and continues with administration support for the punitive Kyoto Protocol.

Written by John Peschke, 224-2946